

**MONTANA**  
Department of Commerce

**MONTANA BOARD OF HOUSING**

P.O. Box 200528 ★ Helena, Montana 59620-0528

Phone: 406-841-2840 ★ Fax: 406-841-2841 ★ TDD: 406-841-2702

*Answer  
Soon*

March 7, 2007

Howard Lyons  
Ravalli County  
215 South Fourth  
Hamilton MT 59840

Re: Proposed housing project - Request for comments

Dear Commissioner Lyons:

The Montana Board of Housing (MBOH) is the administrative agency of the Low Income Housing Tax Credit Program in the State of Montana. The Low Income Housing Tax Credit was established by Congress in the Tax Reform Act of 1986. It is intended to provide for the retention, rehabilitation, and construction of rental housing for low income individuals and families.

The Montana Board of Housing has received applications for project(s) in your area. Please see attached "Summary of Project Application" schedule(s) for details on each project.

I am writing because we are extremely interested in any comments you may have regarding the project(s). I realize you may have expressed support for this project previously, however we are required to solicit comments independently each round.

The input from the local communities and elected officials is critical to our review process. Any comments you may have would be extremely helpful. We are also soliciting comments from other sources in the community.

We would appreciate a response as soon as possible.

Sincerely,

  
Mathew Rude  
Multifamily Program Manager  
406-841-2845  
[mrude@state.mt.us](mailto:mrude@state.mt.us)

## Summary of Project Application

**Project Name:** Mountain View III **Credits Requested:** \$568,750  
**Total Tax Credits Eligible For:** \$663,081.59

**Project Information:** New Construction **Acres**  
**2.74**  
1-3bdrm Family  
46 year guaranteed low income use restriction

**Developer / Sponsor:** Summit Management Gp Patrick Klier  
Nathan Richmond 406-541-0999 406-541-0999 X; [patrick@smgmt.net](mailto:patrick@smgmt.net)  
283 West Front Street, Suite 1 [nate@smgmt.net](mailto:nate@smgmt.net)  
Missoula MT 59802

**For - Profit / Non - Profit:** For-Profit/Non-Profit Joint Venture

**Site Status:** Leased  
Zoning in Place

**Amenities:** Spacious units, washer/dryer, covered parking

Unit Mix:	<u>0-BDRM</u>	<u>1-BDRM</u>	<u>2-BDRM</u>	<u>3-BDRM</u>	<u>Totals</u>
40% AMI Maximum		\$351.00	\$422.00	\$488.00	
50% AMI Maximum		\$439.00	\$527.00	\$610.00	
60% AMI Maximum		\$527.00	\$633.00	\$732.00	
Voucher Payment Standard		\$476.00	\$648.00	\$848.00	

**40% AMI**

Units -	0	0	0	0	0
Rent -					

**50% AMI**

Units -	0	2	8	9	19
Rents -		\$364	\$436	\$490	

**60% AMI**

Units -	0	2	10	15	27
Rent -		\$452	\$542	\$612	

**Market Rate**

Units -	0	0	0	0	0
Rent -					

Manager Unit	0	0	0	0	0
--------------	---	---	---	---	---

Unit Totals	0	4	18	24	46
sq ft / unit -		865	1,091	1,217	52,306

<b>Tenant Paid Utilities:</b> Gas Heat Air Conditioning Electric Cooking Other Electric Gas Hot Water	<b>Owner Paid Utilities:</b> Water, Sewer, Trash
---	--

**Proposed Start Date:** Aug-07

**Market Study Data:**

	<u>Overall</u>	
Vacancy Rates	2.1%	(1% vacancy rate for all units in market area)
Capture Rate	118%	
Absorption Rate	3 months	
Units needed	39	See Comments

**Market Rents:**

0-bdrms	
1-bdrms	\$546
2-bdrms	\$672
3-bdrms	\$756

**Comments:**

- Market Study justifies need for 39 units but applicant is requesting a 48 unit project. May be understated.
- Glaxo/Smith Kline (research based Pharmaceutical Co) continues to expend business
- Wal-Mart plans to open new store in 2008/2009 Both will impact future housing in Hamilton
- Market Study indicates that there continues to be a need for 3 bdrm units.

**Total Project Costs:** \$6,049,961.00

**Proposed Sources of Financing:**

First Interstate	\$835,000.00
0	\$0.00
0	\$0.00
0	\$0.00
0	\$0.00
Deferred Developer Fee	\$39,854.00
Tax Credits	\$5,175,107.00
<b>TOTAL</b>	<b>\$6,049,961.00</b>

**Cost per unit breakdown:**

Land Acq and Site	\$3,020
Construction (Rehab)	\$100,563
Soft Costs	\$26,090
Reserves	\$1,848
	<u>\$131,521</u>

Total Units	46
Total Costs	\$6,049,961
Total Sq Feet	52,306
Cost Per Unit	\$131,521
Cost Per Square Foot	\$115.66
Credits Per Unit	\$12,364
Credits Per Sq Ft	\$10.87
Annual Credits	\$568,750

**Staff Recommendation:**

Approve Proposal \_\_\_\_\_

**Conditions:**

- 0 of the units will be income targeted to 40% of Area Median Income Tenants
- 19 of the units will be income targeted to 50% of Area Median Income Tenants
- 27 of the units will be income targeted to 60% of Area Median Income Tenants
- 0 of the units will be market rate units

- 0 of the units will have rents based on 40% of Area Median Income
- 19 of the units will have rents based on 50% of Area Median Income
- 27 of the units will have rents based on 60% of Area Median Income
- 0 of the units will be market rate units

46 years extended use requirement

- Any major changes to the original application must be approved by the Board
- Less than 30% soft costs to hard costs and below maximum on developer fees

Disapprove Proposal \_\_\_\_\_

Mathew Rude  
by

April 4, 2007  
Date